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## SENATE BILL No. 407

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-3-2-20.

**Synopsis:** Onsite waste disposal system tax deduction. Provides that a taxpayer is entitled to an income tax deduction equal to the least of: (1) the cost of installing an onsite residential sewage discharging disposal system to waters; (2) the taxpayer's adjusted gross income; or (3) \$15,000.

**Effective:** January 1, 2005 (retroactive).

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January 13, 2005, read first time and referred to Committee on Energy and Environmental Affairs.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## SENATE BILL No. 407

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 6-3-2-20 IS ADDED TO THE INDIANA CODE  
2       AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE  
3       JANUARY 1, 2005 (RETROACTIVE)]: **Sec. 20. (a) For purposes of**  
4       **this section, "district" means a county onsite waste management**  
5       **district established under IC 36-11 that performs all the functions**  
6       **listed in IC 36-11-2-1.**

7       **(b) For purposes of this section, "qualified system" means an**  
8       **onsite residential sewage discharging disposal system to waters**  
9       **that a district determines is qualified under subsection (g).**

10       **(c) A resident individual taxpayer is entitled to a deduction from**  
11       **the taxpayer's adjusted gross income for a particular taxable year**  
12       **if, during that taxable year, the taxpayer installs at the taxpayer's**  
13       **residence a new qualified system.**

14       **(d) The amount of the deduction to which a taxpayer is entitled**  
15       **in a particular taxable year is the least of:**

16               **(1) the cost of installing the qualified system;**

17               **(2) the taxpayer's adjusted gross income for the particular**

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1 taxable year; or

2 (3) fifteen thousand dollars (\$15,000).

3 (e) A husband and wife filing a joint adjusted gross income tax  
4 return for a particular taxable year may claim only one (1)  
5 deduction under this section. The deduction may not exceed fifteen  
6 thousand dollars (\$15,000).

7 (f) To obtain the deduction provided by this section, the  
8 taxpayer must file the following with the department:

9 (1) Proof of the costs of installing the qualified system.

10 (2) A list of the persons or entities that supplied labor or  
11 materials for the installation.

12 (3) A qualified system certificate issued by the district that  
13 serves the taxpayer.

14 (g) To obtain a qualified system certificate, the taxpayer must  
15 file an application with the district. The district shall prescribe the  
16 form and contents of the application. Upon receipt of an  
17 application under this subsection, the district shall determine  
18 whether the onsite system is a qualified system. If the district  
19 determines that the onsite system is a qualified system, the district  
20 shall issue a qualified system certificate to the taxpayer.

21 SECTION 2. [EFFECTIVE JANUARY 1, 2005 (RETROACTIVE)]  
22 IC 6-3-2-20, as added by this act, applies to taxable years beginning  
23 after December 31, 2004.

24 SECTION 3. An emergency is declared for this act.

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